



March 31, 2015

ENGROSSED HOUSE BILL No. 1323

DIGEST OF HB 1323 (Updated March 26, 2015 1:58 pm - DI 120)

Citations Affected: IC 21-13; IC 21-44.

Synopsis: Medical residency education. Establishes the medical residency education fund for the purpose of expanding medical education in Indiana by funding new residency program slots at licensed hospitals. Specifies uses of money from the medical residency education fund. Establishes the graduate medical education board in order to: (1) provide funding for residents not funded by the federal Centers for Medicare and Medicaid Services; (2) provide technical assistance for entities that wish to establish a residency program; and (3) provide startup funding for entities that wish to establish a residency program. Provides that a recipient of a medical education residence grant or money from the graduate medical education fund must agree to provide matching funds equal to at least 25% of the money provided.

Effective: July 1, 2015.

Brown T, Clere, Porter, Niezgodski

(SENATE SPONSORS — MILLER PATRICIA, KENLEY)

January 13, 2015, read first time and referred to Committee on Ways and Means.
February 16, 2015, amended, reported — Do Pass.
February 19, 2015, read second time, ordered engrossed. Engrossed.
February 23, 2015, read third time, passed. Yeas 95, nays 1.

SENATE ACTION

February 25, 2015, read first time and referred to Committee on Appropriations.
March 30, 2015, amended, reported favorably — Do Pass.

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March 31, 2015

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1323

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-13-6.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]:
4 **Chapter 6.5. Medical Residency Education Grants**
5 **Sec. 1. (a) The medical residency education fund is established**
6 **to:**
7 (1) **expand medical education in Indiana; and**
8 (2) **encourage and promote qualified individuals to complete**
9 **a residency program in Indiana.**
10 (b) **The fund consists of the following:**
11 (1) **Appropriations by the general assembly.**
12 (2) **Gifts to the fund.**
13 (c) **The commission shall administer the fund. The expenses of**
14 **administering the fund shall be paid from money in the fund.**
15 (d) **The treasurer of state shall invest the money in the fund not**

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1 currently needed to meet the obligations of the fund in the same
 2 manner as other public funds may be invested. Interest that
 3 accrues from those investments shall be deposited in the fund.

4 (e) Money in the fund at the end of a fiscal year does not revert
 5 to the state general fund but remains available to be used to
 6 provide money to fund residency program slots as described under
 7 this chapter.

8 **Sec. 2. (a) Subject to subsection (b), the money in the fund must**
 9 **be used to provide money to the following:**

10 (1) A hospital licensed under IC 16-21 that is seeking to fund
 11 a new residency program slot for a qualified individual to
 12 complete a residency program in Indiana.

13 (2) A nonprofit organization that:

14 (A) is qualified as tax exempt under Section 501(c)(3) of the
 15 Internal Revenue Code; and

16 (B) has the purpose of increasing residency positions in
 17 Indiana by funding new residency program slots at
 18 hospitals licensed under IC 16-21.

19 (b) A recipient of money from the fund must agree to provide
 20 matching funds equal to at least twenty-five percent (25%) of the
 21 money provided.

22 (c) The commission shall establish an application process for a
 23 person seeking money from the fund.

24 (d) A person receiving funding under this chapter shall provide
 25 any information requested by the commission that the commission
 26 determines is necessary to administer this chapter.

27 **Sec. 3. The medical education board shall annually make**
 28 **available to the commission the most recent information**
 29 **concerning the number of current residency program slots in**
 30 **Indiana.**

31 SECTION 2. IC 21-44-1-3, AS AMENDED BY P.L.142-2014,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2015]: Sec. 3. (a) "Board", for purposes of IC 21-44-5, refers
 34 to the medical education board established by IC 21-44-5-1.

35 (b) "Board", for purposes of IC 21-44-6, refers to the mental health
 36 and addiction services development programs board established by
 37 IC 21-44-6-1.

38 (c) "Board", for purposes of IC 21-44-7, refers to the graduate
 39 medical education board established by IC 21-44-7-2.

40 SECTION 3. IC 21-44-1-8, AS ADDED BY P.L.2-2007, SECTION
 41 285, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
 42 1, 2015]: Sec. 8. (a) Except as provided in subsection (b), "fund"



refers to the family practice residency fund established by IC 21-44-5-18.

(b) "Fund", for purposes of IC 21-44-7, refers to the graduate medical education fund established by IC 21-44-7-6.

SECTION 4. IC 21-44-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 7. Graduate Medical Education Board and Fund

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Board" refers to the graduate medical education board established by section 2 of this chapter.
- (2) "Fund" refers to the graduate medical education fund established by section 6 of this chapter.

Sec. 2. The graduate medical education board is established for the following purposes:

- (1) To provide funding for residents not funded by the federal Centers for Medicare and Medicaid Services.
- (2) To provide technical assistance for entities that wish to establish a residency program, including the following:
 - (A) Entities that are not licensed hospitals.
 - (B) Federally qualified health centers.
- (3) To provide startup funding for entities that wish to establish a residency program.

Sec. 3. (a) The board is comprised of ten (10) members appointed by the governor as follows:

- (1) One (1) member representing the Indiana University School of Medicine.
- (2) One (1) member representing a regional medical school campus of the Indiana University School of Medicine.
- (3) One (1) member representing the Marian University College of Osteopathic Medicine.
- (4) One (1) member representing the Indiana State Medical Association.
- (5) One (1) member representing the Indiana Osteopathic Medical Association.
- (6) One (1) member representing the Indiana Primary Health Care Association.
- (7) One (1) member representing a teaching hospital in the Indiana Hospital Association.
- (8) One (1) member representing a nonteaching hospital in the Indiana Hospital Association.
- (9) Two (2) members who are medical directors of residency



1 programs.

2 (b) Except as provided in subsection (c), a member appointed to
3 the board shall serve for a term of two (2) years. Except as
4 provided in subsection (c), the term of a member appointed under
5 subsection (a)(1) through (a)(4) begins on January 1 of an odd-
6 numbered year. The term of a member appointed under subsection
7 (a)(5) through (a)(9) begins on January 1 of an even-numbered
8 year.

9 (c) This subsection applies to a member appointed under
10 subsection (a)(1) through (a)(4) before January 1, 2016. A member
11 to whom this subsection applies serves for a term of one (1) year
12 beginning January 1, 2016.

13 (d) The governor shall make appointments to the board at the
14 following times:

15 (1) The governor shall make the initial appointments to the
16 board before January 1, 2016.

17 (2) Before the end of each year after 2015, the governor shall
18 appoint members to the board to succeed those members
19 whose terms are scheduled to expire at the end of the year.

20 (3) When a member resigns or is otherwise unable to complete
21 the member's term, the governor shall appoint a member to
22 serve the remaining term of the member who has resigned or
23 who is otherwise unable to complete the member's term.

24 Sec. 4. (a) The commission for higher education shall provide
25 staff for the board. The commission shall call the first meeting of
26 the board and notify members of the board.

27 (b) The board members shall designate a chairperson from
28 among themselves. The member designated as the chairperson
29 continues to serve as chairperson until the earliest of:

30 (1) the first anniversary of the chairperson's designation
31 under this section; or

32 (2) the date on which the chairperson's term expires.

33 (c) The board shall meet at the call of the chairperson or at the
34 call of a majority of the appointed members.

35 Sec. 5. An affirmative vote of at least six (6) members is
36 necessary in order for the board to take any official action.

37 Sec. 6. (a) The graduate medical education fund is established
38 within the state treasury. Subject to subsection (b), money in the
39 fund is to be used for the purposes specified in section 2(1) and 2(3)
40 of this chapter.

41 (b) A recipient of money from the fund must agree to provide
42 matching funds equal to at least twenty-five percent (25%) of the



- 1 money provided.
- 2 (c) The fund consists of the following:
- 3 (1) Appropriations by the general assembly.
- 4 (2) Grants.
- 5 (3) Gifts.
- 6 (d) The board shall administer the fund.
- 7 (e) The expenses of administering the fund may be paid from the
- 8 fund.
- 9 (f) Money in the fund that is not needed to meet the obligations
- 10 of the fund may be invested in the manner that other public money
- 11 is invested. Interest or other investment returns on money in the
- 12 fund become part of the fund.
- 13 (g) Money in the fund at the end of a state fiscal year does not
- 14 revert to the state general fund.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1323, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, after line 27, begin a new paragraph and insert:

"SECTION 2. IC 21-44-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 7. Graduate Medical Education Board and Fund

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Board" refers to the graduate medical education board established by section 2 of this chapter.
- (2) "Fund" refers to the graduate medical education fund established by section 5 of this chapter.

Sec. 2. The graduate medical education board is established for the following purposes:

- (1) To provide funding for residents not funded by the federal Centers for Medicare and Medicaid Services.
- (2) To provide technical assistance for entities that wish to establish a residency program, including the following:
 - (A) Entities that are not licensed hospitals.
 - (B) Federally qualified health centers.
- (3) To provide startup funding for entities that wish to establish a residency program.

Sec. 3. (a) The board is comprised of nine (9) members appointed by the governor as follows:

- (1) One (1) member representing the Indiana University School of Medicine.
- (2) One (1) member representing the Marian University College of Osteopathic Medicine.
- (3) One (1) member representing the Indiana State Medical Association.
- (4) One (1) member representing the Indiana Osteopathic Medical Association.
- (5) One (1) member representing the Indiana Primary Health Care Association.
- (6) One (1) member representing a teaching hospital in the Indiana Hospital Association.
- (7) One (1) member representing a nonteaching hospital in the Indiana Hospital Association.
- (8) Two (2) members who are medical directors of residency



programs.

(b) Except as provided in subsection (c), a member appointed to the board shall serve for a term of two (2) years. Except as provided in subsection (c), the term of a member appointed under subsection (a)(1) through (a)(4) begins on January 1 of an odd-numbered year. The term of a member appointed under subsection (a)(5) through (a)(8) begins on January 1 of an even-numbered year.

(c) This subsection applies to a member appointed under subsection (a)(1) through (a)(4) before January 1, 2016. A member to whom this subsection applies serves for a term of one (1) year beginning January 1, 2016.

(d) The governor shall make appointments to the board at the following times:

(1) The governor shall make the initial appointments to the board before January 1, 2016.

(2) Before the end of each year after 2015, the governor shall appoint members to the board to succeed those members whose terms are scheduled to expire at the end of the year.

(3) When a member resigns or is otherwise unable to complete the member's term, the governor shall appoint a member to serve the remaining term of the member who has resigned or who is otherwise unable to complete the member's term.

Sec. 4. (a) The board members shall designate a chairperson from among themselves. The member designated as the chairperson continues to serve as chairperson until the earliest of:

(1) the first anniversary of the chairperson's designation under this section; or

(2) the date on which the chairperson's term expires.

(b) The board shall meet at the call of the chairperson or at the call of a majority of the appointed members.

Sec. 5. (a) The graduate medical education fund is established within the state treasury. Money in the fund is to be used for the purposes specified in section 2(1) and 2(3) of this chapter.

(b) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Grants.

(3) Gifts.

(c) The board shall administer the fund.

(d) The expenses of administering the fund may be paid from the fund.

(e) Money in the fund that is not needed to meet the obligations



of the fund may be invested in the manner that other public money is invested. Interest or other investment returns on money in the fund become part of the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1323 as introduced.)

BROWN T

Committee Vote: yeas 23, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1323, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 8, delete "The" and insert "**Subject to subsection (b), the**".

Page 2, between lines 18 and 19, begin a new paragraph and insert: "**(b) A recipient of money from the fund must agree to provide matching funds equal to at least twenty-five percent (25%) of the money provided.**".

Page 2, line 19, delete "(b)" and insert "(c)".

Page 2, line 21, delete "(c)" and insert "(d)".

Page 2, between lines 27 and 28, begin a new paragraph and insert: "SECTION 2. IC 21-44-1-3, AS AMENDED BY P.L.142-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) "Board", for purposes of IC 21-44-5, refers to the medical education board established by IC 21-44-5-1.

(b) "Board", for purposes of IC 21-44-6, refers to the mental health and addiction services development programs board established by IC 21-44-6-1.

(c) "**Board**", for purposes of IC 21-44-7, refers to the graduate medical education board established by IC 21-44-7-2.

SECTION 3. IC 21-44-1-8, AS ADDED BY P.L.2-2007, SECTION 285, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. (a) **Except as provided in subsection (b), "fund"**

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refers to the family practice residency fund established by IC 21-44-5-18.

(b) "Fund", for purposes of IC 21-44-7, refers to the graduate medical education fund established by IC 21-44-7-6."

Page 2, line 36, delete "5" and insert "6".

Page 3, line 5, delete "nine (9)" and insert "**ten (10)**".

Page 3, line 9, after "(2)" insert "**One (1) member representing a regional medical school campus of the Indiana University School of Medicine.**

(3)".

Page 3, line 11, delete "(3)" and insert "**(4)**".

Page 3, line 13, delete "(4)" and insert "**(5)**".

Page 3, line 15, delete "(5)" and insert "**(6)**".

Page 3, line 17, delete "(6)" and insert "**(7)**".

Page 3, line 19, delete "(7)" and insert "**(8)**".

Page 3, line 21, delete "(8)" and insert "**(9)**".

Page 3, line 28, delete "(a)(8)" and insert "**(a)(9)**".

Page 4, line 3, after "(a)" insert "**The commission for higher education shall provide staff for the board. The commission shall call the first meeting of the board and notify members of the board.**

(b)".

Page 4, line 9, delete "(b)" and insert "**(c)**".

Page 4, line 11, after "5." insert "**An affirmative vote of at least six (6) members is necessary in order for the board to take any official action.**

Sec. 6."

Page 4, line 12, delete "Money" and insert "**Subject to subsection (b), money**".

Page 4, between lines 13 and 14, begin a new paragraph and insert:

"(b) A recipient of money from the fund must agree to provide matching funds equal to at least twenty-five percent (25%) of the money provided."

Page 4, line 14, delete "(b)" and insert "**(c)**".

Page 4, line 18, delete "(c)" and insert "**(d)**".

Page 4, line 19, delete "(d)" and insert "**(e)**".



Page 4, line 21, delete "(e)" and insert "**(f)**".

Page 4, line 25, delete "(f)" and insert "**(g)**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1323 as printed February 17, 2015.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.

